



CONNECTICUT  
BUSINESS & INDUSTRY  
ASSOCIATION

**TESTIMONY OF  
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VICE PRESIDENT OF GOVERNMENT AFFAIRS  
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION  
BEFORE THE FINANCE COMMITTEE  
MARCH 12, 2012**

Good Morning. My name is Bonnie Stewart. I am vice president of government affairs for the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 businesses. They range from small, one-person shops to the state's largest employers. Roughly 90 percent of our members are small businesses with 50 or fewer employees.

The Finance Committee has three measures we'd like to comment on today. They include:

- **SB 356 AN ACT EXPANDING THE NEIGHBORHOOD ASSISTANCE ACT**
- **HB 5424 AN ACT CONCERNING DELAYS IN REVALUATION FOR CERTAIN TOWNS**
- **HB 5426 AN ACT CONCERNING REPORTS ON BUSINESS TAX CREDIT AND ABATEMENT PROGRAMS**

**SB 356 AN ACT EXPANDING THE NEIGHBORHOOD ASSISTANCE ACT**

CBIA supports **SB 356** as it expands the Neighborhood Assistance Act to additional business entities. This tax credit program is designed to provide funding for municipal and tax exempt organizations. Expanding who is eligible to participate in this program increases the likelihood that more business entities will make charitable contributions to municipalities and nonprofit organizations.

We urge you to approve **SB 356**.

**HB 5424 AN ACT CONCERNING DELAYS IN REVALUATION FOR CERTAIN TOWNS**

CBIA opposes **HB 5424**, which permits certain municipalities to delay property revaluation. Delaying property revaluation is bad for both residents and businesses. The more frequently revaluation takes place, the more accurate and fair tax assessments will be. While yearly revaluation is ideal, as is the case for personal property, we understand the cost to towns is more than they would like to take on at this time. Still, delaying revaluation more than what is permitted under the current schedule is poor public policy. What makes matters worse is that some towns are actually planning for a delay in revaluation instead of planning for the revaluation to take place.

The statewide calendar for municipal revaluation is staggered to benefit municipalities. In part, the state adopted a staggered revaluation calendar to ensure that there isn't a shortage of revaluation companies available when one is needed. The staggered calendar also helps make sure that revaluation companies won't be overwhelmed, thereby causing them to increase their prices and taxpayer costs. Allowing towns to delay revaluation ignores the prudent planning and importance of the statewide calendar for municipal revaluation.

We urge you to maintain the revaluation schedule that currently exists and reject **HB 5424**.

**HB 5426 AN ACT CONCERNING REPORTS ON BUSINESS TAX CREDIT AND ABATEMENT PROGRAMS**

CBIA supports, with clarifications, **HB 5426**, which alters the current review and reporting requirements for state business tax credit and abatement programs.

We are pleased that the Finance Committee has chosen to add the requirement that the Department of Community and Economic Development conduct a "comparison of the tax credit and abatement programs offered in this state to those offered in other states, and an assessment of the impact of such in-state and out-of-state programs on the competitiveness of businesses located in this state." Such comparisons are important aspects of what business-site locators and related companies do when determining the best location for an operation and/or facility.

The provision we would like to see clarified is Section 3(f) concerning Enterprise Zones. In the event that after a review a decision is made to eliminate an enterprise zone, we would recommend that the legislation clarify that any entity which invested in the zone and has been granted a tax credit, should be able to continue receiving the credit. This is extremely important because consistency and predictability are keys to good tax policy and business confidence. We understand the need to reevaluate the classification of areas within our state. However, those who relied on a classification, committed to invest in a community, and were granted an enterprise zone tax credit, should continue to receive the credit for the period of time as set in statute at the time of the investment. It is also important to remember that these tax credits are limited in duration, depending on the specific credit, to a maximum of 10 years.

Thank you for the opportunity to share our comments on these proposals.